

May 12, 2003

Montana Medicaid Notice

Physicians, Mid-Level Practitioners, Podiatrists, Physical Therapists, Occupational Therapists, Speech Therapists, Audiologists, Optometrists, Opticians, Providers of Clinic Services, EPSDT Providers, Independent Diagnostic Testing Facilities, Imaging, Oral Surgeons, Ambulatory Surgical Centers, Inpatient Hospitals, Outpatient Hospitals, Dental Providers, Denturists, Durable Medical Equipment providers, Commercial Transportation and Specialized Non-Emergency Transportation Providers, and Ambulance Providers

Proposed Rule MAR Notice No. 37-280, Effective July 1, 2003

The Department has published a notice of rule amendment under MAR Notice No. 37-280 enacting a 2% reimbursement reduction for most acute and primary care providers, and elimination of disposable diapers and incontinence supplies effective July 1, 2003. While these cuts were included in the legislative budget at the time rule notices had to be filed on April 14, 2003 for a July 1, 2003 effective date, later actions in the Legislature found funds to avoid making these cuts. Therefore, based upon this information the Department proposes to amend these rules on second notice.

Provider Rate and Payment Reductions

The Department proposes to remove the 2% rate reduction for primary care services. In addition, the 2.6% rate reduction that was implemented July 1, 2002, and the 7% net payment reduction implemented January 10, 2003 will expire June 30, 2003. Essentially, reimbursement levels for these services will be restored to the levels prevailing at December 31, 2001 before the first 2.6% net payment reduction went into effect.

For inpatient hospital services, the 2.6% rate reduction effective July 1, 2002 and 5% inpatient DRG rate reduction effective February 1, 2003, and the 7% net payment reduction will expire June 30, 2003. However, the legislature imposed a 2% reduction in the legislative budget for hospital services that will be enacted with proposed rules effective August 1, 2003.

Coverage of Disposable Incontinence Products

The Department continues to review the utilization of all services provided within each Medicaid program to ensure that benefits are delivered in the most appropriate and cost effective manner.

After further review and additional legislative funding provided for the 2004/2005 biennium, the Department is amending the proposed rule regarding coverage of disposable incontinence products. Disposable diapers and personal pads/liners/shields will be removed from the Department's proposal. The Department's proposal to discontinue the coverage of disposable incontinence wipes for both children and adults remains as specified.

As a reminder, Montana Medicaid continues to provide reimbursement for reusable/washable incontinence products and encourages the use of such products.

Interested parties may submit their data, views or arguments either orally or in writing at the hearing May 16, 2003, at 3:00 p.m. as stated in MAR Notice No. 37-280.

Optional Services Reinstated

In addition, please note optional services for Audiology, Eyeglasses, Optometric, Hearing Aids, Dental/Denturist, and DME O&P will be reinstated July 1, 2003. These optional services were cut only for the remainder of State Fiscal year 2003 (February 1 - June 30, 2003).

Contact Information

For more information, visit the DPHHS website:

<http://www.dphhs.state.mt.us>

Please address questions to your program officer.